

700,000 jobs and slammed the breaks on our economic growth. We stayed true to our values and we didn't let them.

There are many more examples in this vast budget, examples of programs Republicans wanted to destroy but Democrats demanded we protect. There are many examples where they wanted to cut recklessly and we insisted on cutting responsibly. Throughout this debate, we stayed true to our values. The American people noticed, and they are glad we did. By clear majorities our constituents are glad we stood up for health reform, women's health, cleaner air, and on and on.

This budget battle has once again illustrated for the American people the fundamental differences between the two parties. In some cases our priorities are poles apart. That is obvious to the American people, as well it should be. They are the ones who will always decide whether the morals of their representatives more closely match their own.

As we work toward finalizing this year's budget, we start the conversation about next year's budget, and we engage in the many other debates before us, Democrats will continue to insist on policies that reflect and respect our values.

I ask unanimous consent that my time be charged against leader time and not morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon is recognized.

FREE CHOICE VOUCHERS

Mr. WYDEN. Madam President, in one cruel swoop late last week, more than 300,000 Americans lost the opportunity to buy affordable health insurance for years to come. Specifically, I am talking about the removal behind closed doors by budget negotiators of the free choice voucher provision that would have been a lifeline to hundreds of thousands of low-income Americans.

One could say: Senator WYDEN, everybody has to give a little during tough times. Why is this different?

The difference is that hundreds of thousands of Americans without health care options, in a process that doesn't even have any direct cost to the Federal budget, are being asked to give up a guarantee of coverage just a year after passage of the Affordable Care Act. They are going to be forced to make a Hobson's choice between unaffordable insurance and going without health care, directly contradicting the theoretical underpinnings of the Affordable Care Act. Under that provision, those whose income falls below 400 percent of the poverty line and whose employer-sponsored health insurance premiums are between 8 and just under 10 percent would be exempt from having to purchase health coverage.

Unfortunately, now that they do not have access to the exchanges, they will

also not qualify for government assistance to insurance. The provision leaves hundreds of thousands of Americans who need health care as a lifeline out in the cold.

With free choice, however, folks who fell into this hole and couldn't afford the plan they were offered at work could use their employer's contribution. They could have gotten a voucher to choose a more appropriate affordable plan in the exchange. The amount of the voucher would be set at the same percentage that employers pay today: 70 percent of the cost of a typical plan. The amount would be fixed, giving employers certainty in the cost of doing business. For these families, it could mean the difference between being able to buy a health plan they could afford or going without coverage. If they found a plan in the exchange that's cheaper than was cheaper than the voucher amount, but gave them everything they needed, they could have pocketed the difference in cost. This gives that family an incentive to shop for lower cost coverage and helps hold down everyone's health care costs.

This kind of concept is not only good for the employee, it is good for our businesses, particularly the small businesses that so strongly back this provision. When the impact of free choice was proposed during the health reform debate, the Congressional Budget Office and the Joint Committee on Taxation estimated that more than 300,000 families could benefit from this new approach to choice and competition. That was then.

Since passage of the health care reform law, the need for free choice vouchers is greater than ever. The Kaiser Family Foundation, in their recent analysis, found that employers, even since the law, are shifting more of the health care cost on to the backs of the workers. In that analysis, The Kaiser Family Foundation reported that the typical increase for family coverage went up three percent on average last year, but the cost for the typical worker went up 14 percent. The employer was paying virtually none of that increase. The worker was eating almost all of it because costs were being shifted from employers on to the backs of the workers. So if anything, even more people would likely need free choice vouchers, and would have been eligible to use them, than was originally envisioned when we passed the law.

I am of the view that it is not that businesses don't want to provide affordable benefits to workers. It is just making less and less sense to do so given the way the current system operates. Incentives would not change in 2014, leaving an increasing number of families with a choice between the unaffordable and the unavailable. Up until late last week, in the dark of night, those families had a choice. They had a choice, a third path. The two that I mentioned, unaffordable and unavailable, were not very appealing, and free choice vouchers would have

created a third option that would have worked for those families. They would have had a chance to take their pretax dollars provided by their employer to the free market exchange and decide for themselves which plans they could afford that provide the benefits they need.

Free choice is good for workers, it is good for business, it is good for our country's bottom line; it offers a way to rein in higher health care costs by putting purchasing power back into the hands of the consumer. Once people know they are paying for their health coverage and can shop for a plan that answers their specific needs, costs will come down.

We hear often colleagues on both sides of the aisle talk about choice and competition and market forces. What this did was provide a chance for both sides to take principles they hold dear, expanding coverage with a market based approach for workers who are hurting, and say: Free choice vouchers can do that. The arguments against free choice didn't start with Democrats or Republicans. The arguments started with the interest groups, the lobbies, the special interests that have a vested stake in holding their employees captive and locking them into this incredibly inefficient status quo.

This provision has no budget impact in the fiscal year. Three hundred thousand low-income Americans are being hurt in this budget bill for something that spends no money in the upcoming year; 300,000 Americans with no acceptable alternative to make sure that when they go to bed at night with their families they can take care of an illness or a medical expense that comes up in the morning.

I don't think this had to be. Clearly, if we had had the opportunity in an open forum to address this, there would have been a different result because that is how it got into the law in the first place. I want to make sure colleagues know we will have to be back here to get some relief for the 300,000 Americans we put out in the cold as a result of that particular provision. I hope, once again, we can do it in a fashion that brings Democrats and Republicans together the way free choice vouchers and the principles it represents did in the first place.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Ms. KLOBUCHAR. Madam President, I first acknowledge my colleague from Oregon for his great leadership in this area. We look forward to working with him. He has taken an essential lead on this important matter. This has been a difficult time for all of us with some of the changes being made.

DAUNTING FISCAL CHALLENGES

Ms. KLOBUCHAR. Madam President, I rise to speak about the daunting fiscal challenges our country faces and the urgent need for comprehensive bipartisan action to address our crushing

debt burden. I have long believed we need to get serious about the deficit. Since I came to the Senate, I have worked to reform the way Congress conducts our own business, reducing the budget of Congress, fighting for appropriations project reform, and working to restore our pay-as-you-go rules and the budget process to ensure we are only funding new programs if outdated or duplicative programs are cut.

I was one of a handful who fought for the creation of the fiscal commission, and I have supported efforts by both Republicans and Democrats to responsibly reduce the deficit. We wouldn't have even had the commission that worked all this past year and came up with a report that many people thought would just collect dust on the shelf, but that hasn't been the case. That is because a number of Senators last year said: We are not going to take this anymore. The country can't take this anymore. We will stand up and make sure the deficit commission gets started. We are going to make sure we get strong people on the commission, which was achieved, and that they produce something that is meaningful.

Right now as we speak, a number of our colleagues, a small group of six, are working on the results from that commission report, and we are hopeful they will come together in a bipartisan agreement.

Last year, I supported the efforts of my colleagues, Senators SESSIONS and McCASKILL, to enact discretionary spending caps. While this proposal could not by itself balance the budget, restraining discretionary spending growth is an important piece of the puzzle and will result in real budget savings.

I voted with Senator COBURN to cut hundreds of billions of dollars in Federal spending by consolidating duplicative government programs and supported Senator BENNET's successful effort to rescind \$180 billion in unused TARP funds to pay down the deficit. In the first 4 months of this year, I have supported \$12 billion in cuts and have pushed for many more.

These are all important steps. What our country needs now is for Congress to reach across the aisle and build consensus around a comprehensive, long-term deficit reduction package that will put us on track to prosperity.

Ever since the economic downturn, families across the country have huddled around the kitchen table making tough choices about what they hold most dear and what they can learn to live without. They expect and deserve that their leaders do the same. The American people are counting on us to put politics aside, to pull together and not pull apart, to not go to the opposite corners of the boxing ring and simply throw darts at each other. They expect us to agree on a plan to live within our means and make America strong for the long haul.

If we are going to succeed in this challenge, we will ultimately have to

accept what we do not necessarily agree with in an effort to develop a plan that is both balanced and comprehensive. We already know much about what will need to be done. Our failure to act has not been because we lack solutions but because Congress has lacked the political will to get behind proposals that on their own sometimes are not always that popular. I support the work being done by my colleagues, Senators WARNER, CHAMBLISS, DURBIN, CRAPO, COBURN, and CONRAD, and look forward to working with them to put forward a serious, comprehensive deficit proposal.

Tomorrow, the President will be laying out his recommendations for a comprehensive deficit reduction package. Much of the recent debate over deficit reduction has been dominated by talk of how best to cut programs that millions of American seniors and the most vulnerable in our society rely on every day. While I believe entitlement reforms must be a part of a comprehensive solution, I believe there are also several other key steps we can take to address our deficit in a meaningful way.

As you know, Madam President, we started down the road of entitlement reform with some of the efficiency measures we put in for Medicare. Those can be expanded. I know my State has always delivered high-quality low-cost health care, and we need to do that in more of the country when it comes to Medicare.

With Social Security, there are some excellent ideas to strengthen Social Security, to make it more solvent. I think we need to look at those, but we have to make very clear we will not be balancing this budget on the backs of seniors but that with any measures we take to reform Social Security, those savings will go directly into Social Security—not to be used to reduce the deficit—to make Social Security stronger in the long term.

That is what we need to do. I think the rest of the world, when they look at these kinds of ideas and the measures we can take, will say: Do you know what. America is getting it back together. It is not stealing from other parts of the budget paying for Social Security. It is actually making Social Security stronger by finding a way to make it last longer and be there for our seniors today as well as seniors for the future.

Now, I want to talk about a few of the steps I think we could take and I hope will be included in the President's suggestions and in the deficit commission report.

First, we need to get serious about making our government work more efficiently by reducing programs that have become duplicative or outdated.

Last month, the Government Accountability Office released a report that identified 82 different programs with similar descriptions in 10 different agencies for roads and trains, 47 for training and employment, and 56 to

help people understand finances. The recommendations laid out in this report could save hundreds of billions of dollars, not by making Draconian cuts, not by taking drastic measures, but simply by eliminating waste.

There are plenty of other examples of savings we could find right here in Washington, with Congress and with our Federal agencies.

To begin, we could eliminate billions of dollars in waste in Federal contracts. How? By ending the practice of giving bonuses to government contractors who overcharge and underperform. By requiring Federal agencies to set strong standards for awarding contract bonuses—standards that reward contractors based on the quality of their work and their ability to meet deadlines—we could save \$8 billion.

We could cut back on unnecessary costs in the Federal Government's day-to-day spending, such as printing expenses. Civilian Federal employees spend an estimated \$1.3 billion on office printing every year, and it is estimated that \$440 million of that printing is "unnecessary." If we could cut that \$440 million in waste alone on the unnecessary printing, we could save \$4.4 billion over 10 years.

Then there is the \$4 billion we spend on Federal vehicles every year. If we could cut that budget by 20 percent, we could save \$800 million a year and \$8 billion over 10 years.

Additionally, the Federal Government is the largest property owner in the country, with an inventory of more than 1.2 million buildings and structures—some of it unused. It does not make sense for taxpayers to continue paying for upkeep of these properties when we could sell them or repurpose them to make them more efficient. We could capture \$15 billion in savings on our deficit by selling properties that have been identified as excess and eliminating their upkeep costs. Obviously, I am not talking about all Federal properties, but these are properties that have been identified as excess.

There are also a number of ways to cut waste from our health care spending. We should start by ending the giveaway to the pharmaceutical companies and allow for price negotiations with prescription drugs in Medicare Part D.

Unfortunately, the "noninterference" clause in the Medicare Part D prescription drug benefit expressly prohibits Medicare from negotiating lower prices from pharmaceutical companies. This prohibition has imposed substantial and unnecessary costs on America's taxpayers and seniors who are paying excessive prices for prescription drugs. With Medicare barred from negotiating discounts, seniors face inflated prices for their medications, while the pharmaceutical industry gets a financial windfall.

I am fighting to change that so our seniors can have access to their medicines at the lowest possible prices, and

I have introduced a bill, along with Senators BEGICH and BLUMENTHAL, that would allow for price negotiations. Allowing Medicare to directly negotiate these prices, as the Veterans' Administration does, could save us \$240 billion over the next 10 years.

We also need to take a more serious look at Medicare fraud. Law enforcement authorities estimate Medicare fraud costs taxpayers more than \$60 billion every year. This means as much as 20 percent of total Medicare spending is lost to fraud each year.

To help combat these types of fraud, I have introduced the IMPROVE Act—Improving Medicaid/Medicare Payment Policy for Reimbursement through Oversight and Efficiency—which would help deter fraud by requiring direct depositing of all payments made to providers under Medicaid and Medicare. These criminals scheme the system to rob American taxpayers of money that should be used to provide health care to those who need it most. We must put a stop to it. Putting an end to waste, fraud, and abuse is a critical step to save taxpayer dollars as we look for ways to make our health care system more efficient. But we need to continue to look for other ways to make our government and the way Washington works more efficient as well.

I mentioned efforts to reduce duplicative programs in our government, but we should also take a close look at the different agencies. For example, we could cut \$75 billion from our defense spending by restructuring our budget and increasing efficiency. Whether it is holding civilian workforce levels where they were in fiscal year 2010, which would save \$13 billion, or making targeted changes to Pentagon missions and priorities, which would save \$11 billion, or even just doing away with unnecessary studies and internal reports, which would save \$1 billion, these cuts all add up.

Secretary Gates has proposed and supports these cuts, and I believe they are necessary as we look for ways to streamline our government and reduce our deficit. When Secretary Gates says he does not need a certain type of a plane because he has another plane, I think we should listen to that as we look at how we are going to save money in this government.

In addition to cuts in spending and efforts to streamline our government, we also need to take a serious look at revenues and ways we can streamline our Tax Code to pay down our debt and ensure that the United States remains competitive in this global world.

Despite the fact that Federal revenue is at the lowest level as a percentage of GDP since 1946, our efforts last year to let the tax rates for the wealthiest Americans return to what they were under President Clinton were blocked even though it would save \$690 billion over the next decade. You have said it, Madam President, for people making over \$1 million—ror those people who

make over \$1 million a year, if you have their taxes set at the levels during the Clinton era—at a time when we were very prosperous—you would save nearly \$400 billion in 10 years on the deficit. While not all my colleagues agree on how or even whether we should raise more revenue, every serious bipartisan proposal has made it a clear must.

In the quarter century since the last comprehensive tax reform, the system has been riddled with expenditures that benefit special interests and hurt competitiveness. These expenditures add up quickly, costing us over \$1 trillion a year. For example, despite oil and gas companies reporting record profits in recent years, they will receive an estimated \$35 billion in tax breaks over the next decade. And there are many companies that attempt to evade our tax system altogether. Closing these loopholes could save tens of millions of dollars for American taxpayers. Expenditures such as these riddle the individual income Tax Code as well.

One aspect that is worth looking at—and something near and dear to the heart of every American who owns a home—is the mortgage interest deduction. I have used it. Everyone I know who has bought a house has used it. Here is the deal. The deduction is expected to lower tax revenues by nearly \$500 billion from 2010 to 2013. However, most of the benefits do not go to the middle class. So one idea—and this came out of the fiscal commission—is to make sure those benefits are firmly there for the middle class; that is, to set the credit at equal to 12 percent of interest payments on up to \$500,000 of mortgage debt on principal residences. So here is what this means. If you buy a house for \$1 million, you still get the mortgage deduction, but it is up to \$500,000 in the value of the home. If you get a house for \$300,000 or for \$400,000, it is not going to change the mortgage deduction at all. But what does it do for taxpayers? Well, phased in slowly to protect the housing market, this proposal would save \$400 billion or more over the next decade.

By taking steps such as these, we can lower tax rates, broaden the base, simplify the Tax Code, and at the same time bring down the deficit. This will benefit working families and make America more competitive in the global economy.

These ideas are just a few of the ideas that I believe warrant a closer look and should be considered as we look to reduce our Nation's deficit. Together, they represent at least \$1 trillion in savings that could be included as part of a bipartisan, long-term deficit reduction plan, in addition to a lot of the work we have already done this year for spending cuts. We can look at some additional ideas for next year, and there are many, many more. These are just simply some I hope the President includes in his proposal and that the deficit commission includes as well.

Tomorrow we will hear from the President, and I hope we hear a plan

that reflects the challenges we face as a nation, that builds on the work of the fiscal commission, and that brings both parties to the table for a grownup debate.

The sooner we can agree on a long-term package of smart cuts, the better for our economy and the better for our country. I am hoping we can put partisan differences aside to work on an agenda that strengthens our economy, promotes fiscal responsibility, and increases global competitiveness because if we refuse to have an honest conversation about this, if we insist on just using the debate as a vehicle for angry rhetoric and an excuse for taking cheap political shots, we will not just be doing ourselves a disservice and this institution a disservice, we will be cheating our children and our grandchildren out of knowing the America in which we grew up.

The deficit is not just going to fix itself. We all know that. We all know we cannot just close our eyes, click our heels, and—poof—the debt goes away. In their report, the National Commission on Fiscal Responsibility wrote that “every modest sacrifice we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation.” And they are right. The longer we wait, the more wrenching the choices become, the more we set ourselves up for becoming another Greece or Ireland and having a potential meltdown in our financial system. But do you know who is really going to be making the painful choices if we do not do anything right now? That is right, it is our kids and our kids' kids. Is this really the legacy we want to leave them?

This is our challenge, and it will be a hard challenge to meet. But I am confident we can come together to make these tough choices to do what is right for our economy and to renew the American promise of progress and opportunity for generations to come.

Thank you. I yield the floor, and I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. Madam President, I ask unanimous consent to speak until 11—I think that is the agreed upon time—and that I be notified 5 minutes before 11.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FISCAL RESPONSIBILITY

Mr. SESSIONS. Madam President, the American people have high expectations of their leaders. They should